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Principal Examiner Feedback

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Pearson Edexcel International Advanced Level
In Economics (WEC14)
Unit 4: Developments in the global economy

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Introduction

This is January series for assessment of WEC14: Developments in the global economy. The examination tests candidates' abilities to select and apply appropriate economic concepts, theories and techniques in a variety of contexts. As Unit 4 is a synoptic unit, the examination may draw on material from Units 1, 2 & 3.

In **Section A**, the multiple-choice section, candidates performed best on the strategy that could promote economic development in Chad (question 1). The question with the focus on imposition of a tariff on steel (question 6) was least well answered and this specification part may need attention by centres. On remaining questions, candidates performed reasonably better.

In **Section B**, the data response section, questions are based on information provided in the source booklet.

Q07(a): Candidates only access two marks for correctly calculating the value of Ghana's national debt using the data provided. Most candidates scored the two marks for this question.

Q07(b): This question required explanation of the rate of inflation. One relevant piece of data was required from both Figure 2 and Extract A to attain both the application marks. Many did not get any marks for definition.

Q07(c): Most candidates could analyse **two** roles of the IMF. However, small percentage of candidates could fully explain the roles to access both analysis marks. For this data response question, the candidates are required to explain the roles that have been provided in the extract and from their own knowledge. Application marks were often awarded for appropriate references to Extract A.

Q07(d): A large majority of candidates were able to examine two disadvantages of an increase in Ghana's national debt. Two knowledge and application marks were often awarded for relevant use of the sources. However, some candidates copied paragraphs from the extract and were not able obtain the analysis marks. This is an area which the

centres are advised to address. Candidates could attain both the evaluation marks for explaining them.

Q07(e): Most candidates made effective use of the source given and were able to discuss the likely macroeconomic effects of the introduction of an additional marginal rate of income tax of 35% on the economy of Ghana. A large proportion of candidates developed their analysis with clear chains of reasoning to achieve at least Level 3 KAA marks. A feature in this response was that some candidates tried to cover as many measures as possible but without any development in analysis. Many responses were able to access evaluation marks as they directly answered the question by talking through the problems associated with each measure discussed.

In **Section C**, candidates have the opportunity to choose two out of three questions. The section was more demanding than previously, and this is reflected in the mean scores on all three questions. Question 8 was most popular followed by question 9 and then 10.

In all three questions candidates' knowledge of relevant economic concepts was sound but they often struggled to apply it to the context of the question. Another challenge was the level of analysis. As in question Q07e, answers often lacked a fully developed chain of reasoning. This is because they focussed their explanations on several points, and this meant they did not have enough time to develop them. Some candidates drew appropriate and accurate diagram(s) and incorporated it with sound analysis points. This allowed them to consistently achieve the top levels.

Evaluative comments were often made and, whilst some offered supporting evidence and were linked to the context, many were unable to offer logical chain of reasoning. It should be stated that 8 marks are now awarded for evaluation in the essay section. A reference to a country will always form part of the questions in Section C. Candidates are expected to have an awareness of countries to form a basis of their arguments and to achieve the highest levels.

The questions were accessible at all levels and offered good opportunities for all the candidates to differentiate by ability. Answering the exact question asked, integrating the data with analysis and strong evaluation continue to remain the essential ways that

the A-grade candidates achieve higher marks. It appears that most candidates were not actually able to complete the paper in the time available.

Moreover, candidates are highly encouraged to have better structure to their answers. Many have written their essay questions in bullet points, and some have written in long blocks/paragraphs without making a clear distinction between analysis and evaluation. This was also seen in the higher mark question in Section B.

The performance on individual questions is considered in the next section of the report

Section A

Question 1

This question required candidates to identify the strategies could promote economic development in Chad. This was a well answered question of this section with numerous candidates obtaining the one mark. The correct answer is C: removing restrictions on free trade.

Question 2

For this question candidates needed to identify the impact of government policy on the UAE's exchange rate. The correct answer is B: the exchange rate would be devalued. Some confused this for a floating exchange rate.

Question 3

The correct option is C. Several candidates correctly identified that specialisation and trade will result in an increase in world output. Some confused comparative advantage with competitive advantage.

Question 4

The correct answer is A. Many candidates were unable to correctly calculate the index number for 2002 using 2022 as the base year. Candidates are expected to know how to calculate index numbers.

Question 5

Candidates performed reasonably well on this question, which asked them to select the option that best describes the trading bloc. The correct answer is D where the EAC is a customs union where member countries can benefit from trade creation.

Question 6

For this question, candidates had to identify the likely effect of the imposition of a tariff on steel. The correct answer is A: imports of steel decreased.

Section B

The source booklet focused on the economy of Vietnam. It comprised of three graphs and one extract on economic challenges in the country.

Question 7a

Candidates needed to calculate the value of Ghana's national debt. Although 70% of total candidates scored the maximum of 2 marks this still indicates that 30% were not able to calculate the change correctly. It is very important to utilise the data carefully for calculation-based questions.

Question 7b

Many candidates were unable to successfully explain the term rate of inflation. Many were unable to attain full marks. A common response was to explain it in terms of price level. To access both the application marks, candidates had to include two pieces of data, one from Figure 2 and one from Extract A. Some candidates only offered one, and not both. Given the nature of the question, it is important to cover all aspects of the answer in knowledge and application.

Question 7c

This question required the candidates to analyse two roles of the IMF. Most responses included providing loans and debt relief. Most candidates were able to explain and analyse their identified points. They were also able to access two application marks by using relevant data from Extract A. For the 6-mark question, evaluation is not required and should not be included.

Question 7d

The question required the candidates to examine two disadvantages of an increase in Ghana's national debt. Most candidates were able to identify the points from the given extract and were able to gain the two application marks required, using Figure 1 and

Extract A. Many copied paragraphs from the extract and did not explain it. This did not allow them to gain the higher analysis marks.

Evaluation was good and well written with many identifying their point and explaining it well. There were some candidates who did not try writing any points. For an 8-mark question and above, evaluation is a key requirement and should be included.

Question 7e

Candidates needed to use the source to discuss the likely macroeconomic effects of the introduction of an additional marginal rate of income tax of 35% on the economy of Ghana. It is important that candidates select any two effects and develop their analysis by focusing on those points rather than trying to cover as many effects as possible. This will allow candidates to access the higher levels of response.

A handful of candidates were able to successfully identify and explain effects such as on tax revenues and AD. They were able to integrate this with the application given in the source from Extract A. This gave them the access to Level 3. However, some candidates just copied the source and did not explain their points. This gave them access to Level 1 only. Those who mentioned measures not given in the extract were also awarded marks.

Evaluation points were well written. Many candidates included references to reduction in budget deficit. Many included other positive effects as evaluative comments but were not able to successfully support it using a logical chain of reasoning. Candidates should ensure that they do this as opposed to listing a number of separate undeveloped points.

Section C

General points:

Candidates often make a number of valid separate points but do not usually develop a coherent chain of reasoning. In addition, a large number of candidates do not include any form of contextual reference and consequently will not achieve the higher level marks. Context can be from the stem provided in the question and/or from any other examples effectively used by the candidate. A reminder that writing a country name in the answer does not merit as application.

For evaluation, candidates should provide a partially developed chain of reasoning to attain at least Level 2. Writing a list of points will only give candidates access to Level 1. An informed judgement is needed in order to gain a Level 3 evaluation mark.

Candidates are not expected to write four analysis and three evaluation points, like in the old specification. They can select two analysis points and develop them by focusing on those points rather than trying to cover as many points as possible.

Question 8

This question asked the candidates to evaluate government policies, apart from changes in income tax rates, that could be used to reduce income inequality. To access high Level 4 for KAA, candidates are required to refer to a developed economy in their answer.

Many explained policies. They discussed investment in education and training, national minimum wage and benefits. Most answers carried a two-stage chain of reasoning, and therefore, they were not able to access Level 3 KAA. Some only focussed on causes of income inequality, and this meant that did not access any marks as their analysis was not accurate given they were not answering the question. Those who identified a range of effects without linked development were only able to access Level 1 KAA.

Evaluation included an attempt to discuss the short-run versus long-run considerations. Many candidates critiqued both the policies they identified and this allowed them to get

higher levels. Some were only able to explain one point in detail with the other points just identified. Those who listed evaluation points achieved Level 1.

Question 9

This question asked candidates to evaluate likely effects of a decrease in productivity. In addition, to access Level 4 for KAA, candidates are required to refer to a country of their choice in their answer.

The most common effects mentioned were linked to trade balance and economic growth. Most answers demonstrated chains of reasoning but they were not always fully developed or had some stages omitted. These candidates were not able to access more than Level 3 KAA. A handful of candidates were confused and did not directly answer the question. Some candidates explained negative effects as KAA and positive effects as evaluation. This was credited.

Evaluative comments were not well written. Many offered some points that often went tangential and did not answer the question. Those who tried were not always able to explain their arguments in good depth. Rest of their points were again quite generic and did not have any chains of reasoning and did not achieve more than Level 1.

Question 10

This question asked candidates to evaluate causes of the increase in global commodity prices. To access Level 4 for KAA candidates are required to refer to commodities in their answer.

Most were able to identify just one cause. The most common points focused on reasons for changes in demand and supply of commodities. Some answers carried a two-stage chain of reasoning without application to terminology and concepts, and so, candidates were not able to access Level 3 for KAA. Those who linked their arguments to demand and supply of commodities effectively, attained the higher-level marks.

Candidates struggled to evaluate effectively. Majority offered effects of changes in the commodity prices and this got no credit. The other points were generic and not well developed; they did not achieve more than Level 1.

Paper Summary

The main implications for centres regarding future teaching, learning and examination preparation are:

- Ensure that all parts of the specification are taught and internally assessed. This needs to include addressing all the quantitative skills (as found on page 69 of the specification).
- Candidates must read all questions carefully, and make sure that they have addressed all parts of a question in their response. In a few different questions on this paper, not understanding requirements of the questions, in terms of its depth and breadth, was the main reason for low scores.
- Encourage candidates to draw accurate, appropriate, legible and labelled diagrams to support their arguments, even if not required. This would help add depth to arguments.
- Section B: Ensure that candidates refer to the relevant extracts but do not copy from them. Brief quotations are acceptable but, in themselves, will not achieve higher level marks. Remember that the 4- and 6-mark questions do not require evaluation, so please use the time given effectively and avoid assessing the analysis points made.
- Section B 14-mark question and Section C essays: Encourage candidates to develop a chain of reasoning by analysing two salient points in depth. By contrast, covering a lot of points in a superficial way will limit the mark to a low Level 2 at best. In addition, analysis needs to be contextualised by using relevant source information (Section B), appropriate examples (Sections B and C) or context at the start of Section C questions.

In addition, ensure that candidates are aware that evaluative comments should be linked to the context of the question being asked. These should have a chain of reasoning or sufficient development to be able to achieve at least Level 2. To achieve Level 3 for evaluation in Section C it is necessary to include an informed judgement.

- Candidates are encouraged to have a clear structure to their answers. They must avoid writing essays in bullet points or in long blocks/paragraphs without making a distinction between their analysis and evaluation points.
- Encourage candidates to make full use of the specimen papers, previous examination papers, mark schemes and principal examiner reports.

